GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2929
ANSWERED ON:16.03.2001
EXCISE BENEFIT TO CIGARETTE INDUSTRY
VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have decided to withdraw the Central Excise benefits extended to cigarette industry in Assam;

(b) if so, the reasons therefor;

(c) whether such excise concessions were extended to other products also in Assam; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a) Yes Sir. Cigarettes have been excluded from the scheme of excise duty exemptions applicable to industrial units in the North East with effect from 22nd January, 2001.

(b) This has been done in view of cigarettes being demerit goods and reported misuse of the exemption.

(c) & (d) Two schemes of excise concessions are applicable to units in the North East viz.,
(i) exemption from excise duty to all excisable goods (except cigarettes, and other tobacco products) cleared from industries located in specified areas within the states of Assam, Tripura, Meghalaya, Mizoram, Nagaland, and Manipur, or
(ii) exemption from excise duty to specified excisable goods (except cigarettes, and other tobacco products) cleared from industries located anywhere in the North East. Notification nos. 32/99-Central Excise [G.S.R. No.508(E), dated 8.7.99] and 33/99-Central Excise [G.S.R. No. 509(E), dated 8.7.99], both dated 8.7.99 extending the said exemptions have already been laid on the Table of the House.